

May 30, 1990

DRS Notice 90-005

To: Employers of members of the Public Employees' Retirement System (PERS)

From: George Northcroft  
Director

Subject: Temporary employment in eligible PERS positions

Effective June 7, 1990, temporary employment is no longer an exclusion from membership for persons employed in eligible PERS positions. This change has been legislated by Substitute House Bill (SHB) 2644 of 1990.

An *eligible position* in PERS is one which normally requires five consecutive months of creditable service in any 12-month period. If you hire an employee into such a position on or after June 7, 1990, that employee enters PERS membership from the first day of employment. Also, any employee who was hired into an eligible position on a temporary basis prior to June 7, 1990, and who continues working in that position beyond June 6, 1990, will become a PERS member as of June 7, 1990. You will need to submit an EPR for such employees and begin reporting them on your transmittal report.

#### Exceptions for PERS Retirees

PERS retirees can work on a temporary basis in eligible positions for not more than five months in a calendar year without being required to return to PERS membership. However, if the retiree works more than five months in a calendar year, he/she will re-enter membership beginning on the first day of the sixth month of employment in any eligible position, and should be enrolled in the retirement system and reported on the transmittal report.

#### **How this changes current practice for PERS Plan I retirees—**

These new rules differ slightly from current rules. The number of months that a Plan I retiree can be employed on a temporary basis without coming into membership will be reduced from six months to five months, effective June 7. In addition, **any five months** of employment in an eligible position during a calendar year will meet the criteria defined in the new law.

**How this changes current practice for PERS Plan II retirees—**

Currently a PERS Plan II retiree would return to membership immediately upon being employed in an eligible position. In addition, any non-federal public employment would cause the retiree's pension benefit to cease, so long as the retiree remained employed. Effective June 7, the Plan II retiree will be allowed work up to five months in each calendar year in an eligible position and still collect his/her pension benefit. The retiree will also be allowed to continue to collect retirement benefits while working in an ineligible position.

**Other Changes Legislated by SHB 2644 of 1990**

**Effective June 7, 1990:** SHB 2644 makes additional changes to rules for employing retirees of the Washington State public retirement systems. You will receive information about these changes in a separate DRS Notice.

**Effective September 1, 1990:** The definition of *eligible position* in PERS will change at that time, so that the five months of service that make a position eligible will no longer need to be consecutive. This change may affect the eligibility of some positions. In July you will receive a DRS Notice providing more detailed information about this change. You will also receive an update of the "Guidelines to PERS Membership" for your *Monthly Transmittal Reporting Handbook* reflecting the June 7 and September 1 changes to the law.

**Questions?**

If you have any questions about temporary employment in eligible positions, you may call Margaret Wimmer of the DRS Membership Section at (206) 753-5290, SCAN 234-5290. Specific questions about transmittal reporting should be directed to the Employer Relations Unit at (206) 753-8696, SCAN 234-8696.

### **1990 DRS Notices**

Each DRS Notice will include a list of all Notices previously published during the calendar year, their subject matter, and a statement of which employers each Notice was sent to.

If you did not receive a Notice, check this list to verify that the Notice applies to you and/or your employees. If you need a copy, call the DRS User Support Group at (206) 586-4515, SCAN 321-4515.

<b>Notice No.</b>	<b>Date</b>	<b>Applies to/ Subject matter</b>
90-001	Jan. 10	School district employers using the WSIPC system  Transmittal data problems.
90-002	Jan. 28	All Employers  Transmittal report month-end processing dates.
90-003	Apr. 2	State agencies using the PISD Central Payroll System to report members of the Public Employees' Retirement System  Changes in some requirements for submitting Employee Permanent Record and Notice of Separation forms for PERS employees.
90-004	May 29	All Employers  Summary of 1990 legislation related to retirement issues.

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